

Message Text

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44

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 SAJ-01 CIAE-00 COME-00 EB-07

INR-05 LAB-04 NSAE-00 RSC-01 SIL-01 BIB-01 NIC-01

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R 170845Z DEC 74

FM AMEMBASSY HELSINKI
TO SECSTATE WASHDC 8145
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
USMISSION EC BRUSSELS
USMISSION GENEVA
AMEMBASSY VIENNA

C O N F I D E N T I A L HELSINKI 2538

E.O. 11652: GDS

TAGS: ELAB, PFOR, PINT, FI, UR, XG

SUBJ: SHELEPIN SPEECH TO JOINT COMMISSION OF
FINNISH AND SOVIET TRADE UNIONS

REF: HELSINKI 2537

BEGIN SUMMARY: AT JOINT COMMISSION OF FINNISH AND
SOVIET TRADE UNIONS ON DECEMBER 10 AND 11 IN HELSINKI
(REFTEL) SOVIET TRADE UNION (AUCCTU) CHAIRMAN
ALEKSANDER SHELEPIN REVIEWED THE GENERAL ECONOMIC
SITUATION IN THE SOVIET UNION; COMMENTED ON
EAST-WEST TRADE UNION RELATIONS; AND DISCUSSED
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FINNISH-SOVIET RELATIONS. SHELEPIN WAS BASICALLY

OPTIMISTIC ABOUT THE PRESENT SITUATION IN THE SOVIET UNION AND FOUND RAPID INFLATION IN WESTERN EUROPE DISTURBING BY CONTRAST. HIS MAJOR MESSAGE TO WESTERN TRADE UNIONS -- AS EXPRESSED TO FINNS-- WAS THAT THEY SHOULD BE URGENTLY CONSULTING AND TAKING STEPS TO COUNTERACT INFLATIONARY DEVELOPMENTS AND GENERALLY DETERIORATING ECONOMIC SITUATION. SHELEPIN WAS HARSHLY CRITICAL OF "CERTAIN" FINNISH NEWSPAPERS THAT UNDERMINE FINNISH-SOVIET RELATIONS AND STRESSED THAT USSR WANTED ONLY FRIENDSHIP AND PEACE OF OF FINLAND. IN COMMENTING ON INTERNATIONAL RELATIONS SHELEPIN SPOKE FAVORABLY OF BREZHNEV'S RECENT MEETINGS WITH PRESIDENTS FORD AND GISCARD D'ESTAING. END SUMMARY.

1. IN REVIEWING THE SOVIET ECONOMY, SHELEPIN WAS OPTIMISTIC, ACCORDING TO NON-SOCIALIST FINNISH SOURCE WHO PARTICIPATED IN COMMISSION DISCUSSIONS. HE MADE CONSIDERABLE USE OF IMPRESSIVE STATISTICS DETAILING SUCH THINGS AS NUMBER OF HOUSES BUILT AND NUMBER OF NEW CONSUMER PRODUCTS ON SOVIET MARKET. HE NOTED THAT SOVIET PEOPLE WERE LIKE PEOPLE EVERYWHERE AND WANTED INCREASING NUMBERS OF CONSUMER GOODS AND THAT SOVIET LEADERSHIP REALIZED THAT LARGER PROPORTION ECONOMIC RESOURCES WOULD HAVE TO BE ALLOCATED FOR THEIR PRODUCTION. ANOTHER AREA NEEDING MORE MONEY IS AGRICULTURE. SHELEPIN ADMITTED THIS YEAR'S HARVEST IN SOVIET UNION WAS NOT AS GOOD AS INITIALLY HOPED. ALTHOUGH HE DID NOT LINK SUCH ECONOMIC DEMANDS DIRECTLY WITH ARMS SPENDING, HE NOTED, BY WAY OF EXPLANATION TO HIS FINNISH AUDIENCE, THAT "A BIG COUNTRY NEEDS A BIG ARMY". NOT ALL CONSUMER DEMANDS CAN BE MET REGARDLESS OF LEVEL OF MILITARY SPENDING.

2. TURNING TO INTERNATIONAL ECONOMIC SITUATION, SHELEPIN EXPRESSED CONCERN ABOUT EFFECTS OF WORLD-WIDE INFLATION ON SOVIET ECONOMY. ALTHOUGH SOVIET UNION HAS STABLE ECONOMY AND STABLE PRICES, THERE IS PRESSURE ON PRICES BROUGHT ABOUT BY IMPORTED

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INFLATION WHICH OCCURS WHEN SOVIET UNION IMPORTS NEEDED RAW MATERIALS. (SOURCE COMMENTED THAT SHELEPIN DID NOT GO ON TO NOTE THAT SOVIET UNION IS ALSO EXPORTING INFLATION WHEN IT RAISES PRICE OF ITS OWN EXPORTED RAW MATERIALS; E.G., OIL TO FINLAND).

3. SHELEPIN WANTED TO KNOW WHAT THE WESTERN TRADE UNIONS WERE DOING ABOUT THIS COMMON PROBLEM OF

INFLATION THAT AFFECTS BOTH EAST AND WEST. HAVE THERE BEEN TOP LEVEL MEETINGS OF TRADE UNIONS LEADERS? HAVE THERE BEEN MEETINGS OF ECONOMIC SPECIALISTS OF TRADE UNIONS? AN EMERGENCY SITUATION WOULD SEEM TO CALL FOR EMERGENCY ACTION, HE INDICATED. (SOURCE COMMENTED THAT SHELEPIN'S ARGUMENT WAS MUCH SAME AS THAT MADE IN MANY RECENT SPEECHES IN FINLAND AND ELSEWHERE IN WESTERN EUROPE. TRADE UNIONS ALL OVER WORLD ARE IN A TRICKY POSITION BECAUSE IN-

FLATION IS IN LARGE MEASURE IMPORTED RATHER THAN DOMESTICLY GENERATED. SOURCE WENT ON TO NOTE, HOWEVER, THAT SHELEPIN SOMETIMES APPEARED TO FORGET THAT WEST EUROPEAN TRADE UNIONS DO NOT HAVE SAME ABILITY TO EXERCISE INFLUENCE AS SOVIET TRADE UNION ORGANIZATION WHICH IS IN MANY RESPECTS SYNONYMOUS WITH STATE.)

4. IN COMMENTS ON FINNISH DOMESTIC POLITICS SHELEPIN WAS VERY HARSH IN HIS CRITICISM OF "CERTAIN" FINNISH NEWSPAPERS WHICH CONTINUE TO DAMAGE THE "GOOD RELATIONS EXISTING BETWEEN TWO COUNTRIES." SHELEPIN'S REMARKS TOOK OFF FROM RECENT ARTICLE IN SWEDISH SVENSKA DAGBLADET WHICH CHARGED SOVIET EMBASSY IN FINLAND OF CONSPIRING WITH FINNISH COMMUNIST PARTY TO BRING ABOUT ULTIMATE "SOCIALIZATION" OF FINLAND. SHELEPIN ACCUSED "FINNISH CIRCLES" OF FEEDING SUCH "SENSELESS" STORIES TO SWEDISH PRESS WHICH IN TURN ARE REPEATED IN FINLAND. SHELEPIN, ACCORDING TO A NEWSPAPER REPORT OF SPEECH, EMPHASIZED SEVERAL TIMES THAT SOVIET UNION HAD EVERYTHING IT NEEDED AND WANTS "ONLY FRIENDSHIP AND PEACE OF FINLAND." SHELEPIN ALSO, CONFIDENTIAL

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ACCORDING TO BRIEF NEWSPAPER ACCOUNT, URGED SOCIAL DEMOCRATIC AND COMMUNIST FACTIONS IN FINNISH TRADE UNION CONFEDERATION (SAK) TO DO THEIR UTMOST TO REACH A RECONCILIATION.

5. SPEECH CONCENTRATED MOSTLY ON FOREGOING BUT SHELEPIN DID MAKE FAVORABLE REFERENCE TO PROGRESS OF DETENTE AND PARTICULARLY TO BREZHNEV'S RECENT MEETINGS WITH PRESIDENT FORD IN VLADIVOSTOK AND GISCARD D'ESTAING IN PARIS.

6. OUR SOURCE SAID THAT SHELEPIN'S PERFORMANCE WAS IMPRESSIVE. HE OBVIOUSLY POSSESSES VAST INTELIGENCE, BUT IT IS DIFFICULT TO ASSESS HIS REACTIONS OR KNOW WHAT HE REALLY THINKS. HE IS, IN A WORD,

INSCRUTABLE. HIS ENTIRE SPEECH, OF ABOUT AN HOUR,
WAS DELIVERED WITH BENEFIT OF ONLY A FEW NOTES.
IT WAS TRANSLATED PARAGRAPH BY PARAGRAPH FROM
RUSSIAN TO FINNISH.
HOUSTON

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